



Department of Justice

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HEARST CORPORATION TO PAY \$4 MILLION CIVIL PENALTY FOR VIOLATING ANTITRUST PRE-MERGER NOTIFICATION REQUIREMENTS

Largest Civil Penalty a Company Has Paid for Violating Antitrust Pre-Merger Requirements

WASHINGTON, D.C. -- The Hearst Corporation and its parent, The Hearst Trust, have agreed to pay \$4 million to settle charges that the company failed to produce key documents before undertaking an acquisition subject to pre-merger review, the Department of Justice announced today. The civil penalty is the largest a company has ever paid for violating antitrust pre-merger requirements.

The Department of Justice's Antitrust Division, at the request of the Federal Trade Commission, filed a civil lawsuit today in U.S. District Court in Washington, D.C. against The Hearst Corporation and The Hearst Trust for violating the Hart-Scott-Rodino Act of 1976. At the same time, the Department filed a proposed settlement, that if approved by the court, will settle the charges.

According to the complaint, Hearst violated pre-merger notification requirements when it acquired Medi-Span Inc., an Indiana-based producer of integratable drug data files, in 1998 without submitting to the antitrust enforcement agencies documents required to have been supplied along with its pre-merger notification.

The Federal Trade Commission in April 2001 challenged Hearst's acquisition of Medi-Span in an antitrust lawsuit brought in U.S. District Court in Washington, D.C. That suit, which

is pending, charges that combining Hearst's First DataBank subsidiary with Medi-Span gave Hearst a monopoly over a significant type of drug information database used by pharmacists, other health care professionals, hospitals and health plans.

The Hart-Scott-Rodino Act of 1976 imposes notification and waiting period requirements on individuals and companies over a certain size before they can consummate acquisitions of stock or assets over a certain value. Parties are subject to a maximum penalty of \$11,000 a day for each day they are in violation of the HSR Act.

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